



# NEBRASKA WIC EBT KICK-OFF

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Initial Meeting with Representatives of the Nebraska WIC-Authorized Retailer Community to Discuss the WIC Program's Path to an Electronic Benefit Transfer (EBT) System

**Lincoln, Nebraska**  
**March 14, 2013**

# Meeting Purpose and Agenda

- Purpose: *To initiate an ongoing dialogue with the Nebraska WIC authorized retailer community that will assist the WIC program in the adoption of EBT*
- Agenda:
  - 9:30 – 9:45am *Welcome and Introductions*
  - 9:45 – 10:15am *How Do We Plan for WIC EBT?*
  - 10:15 – 11:00am *What are the Different Ways it can Work?*
  - 11:00 – 11:10am *Break*
  - 11:10 – 11:45am *How Will it Affect Retailer Operations?*
  - 11:45 – 12:15am *What's Next?*
  - 12:15 – 12:30am *Closing Comments*
  - 12:30am *Adjourn*

# HOW DO WE PLAN FOR WIC EBT?

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Facilitator: Peggy Trouba, NE WIC Program Manager

# The Nebraska WIC Program

- Serves 9,502 Infants  
21,564 Children  
8,944 Pregnant, Postpartum and Breastfeeding Mothers, Per Month (January 2013)
- Through grants to 13 government and non-profit Local WIC Agencies operating 110 Clinics throughout the State
- And in partnership with our 400 authorized retailers, who deliver more than 30 million dollars in food benefits to our participants per year (2012).



# Why Now?

- Nebraska WIC has long anticipated moving to WIC EBT once our new computer system was in place.
- The **Healthy, Hunger-Free Kids Act of 2010 (P.L. 111-296)** requires that all WIC agencies implement EBT by 2020.
  - ❖ Now it's not “what if” but “how to?”
- Nebraska WIC will undertake this challenge by working with our retailer partners through an *ad hoc* WIC EBT Work Group, occasional forums, and the deliberations of the Nebraska WIC Vendor Advisory Committee.



# Questions States Face in the EBT Planning Phase

1. CAPACITY: What is our capacity for managing and operating WIC EBT?
2. RESOURCES: What are our existing human and financial resources?
3. TECHNOLOGY: What is our technology level and what does it allow us to do to manage EBT implementation?

# USDA/FNS 4 Part EBT Planning Process

## Feasibility Study

Collect Data

Data Analysis

## Cost Analysis

Collect Data

Data Analysis

Loop to FS

## Implementation Planning Document

Where?

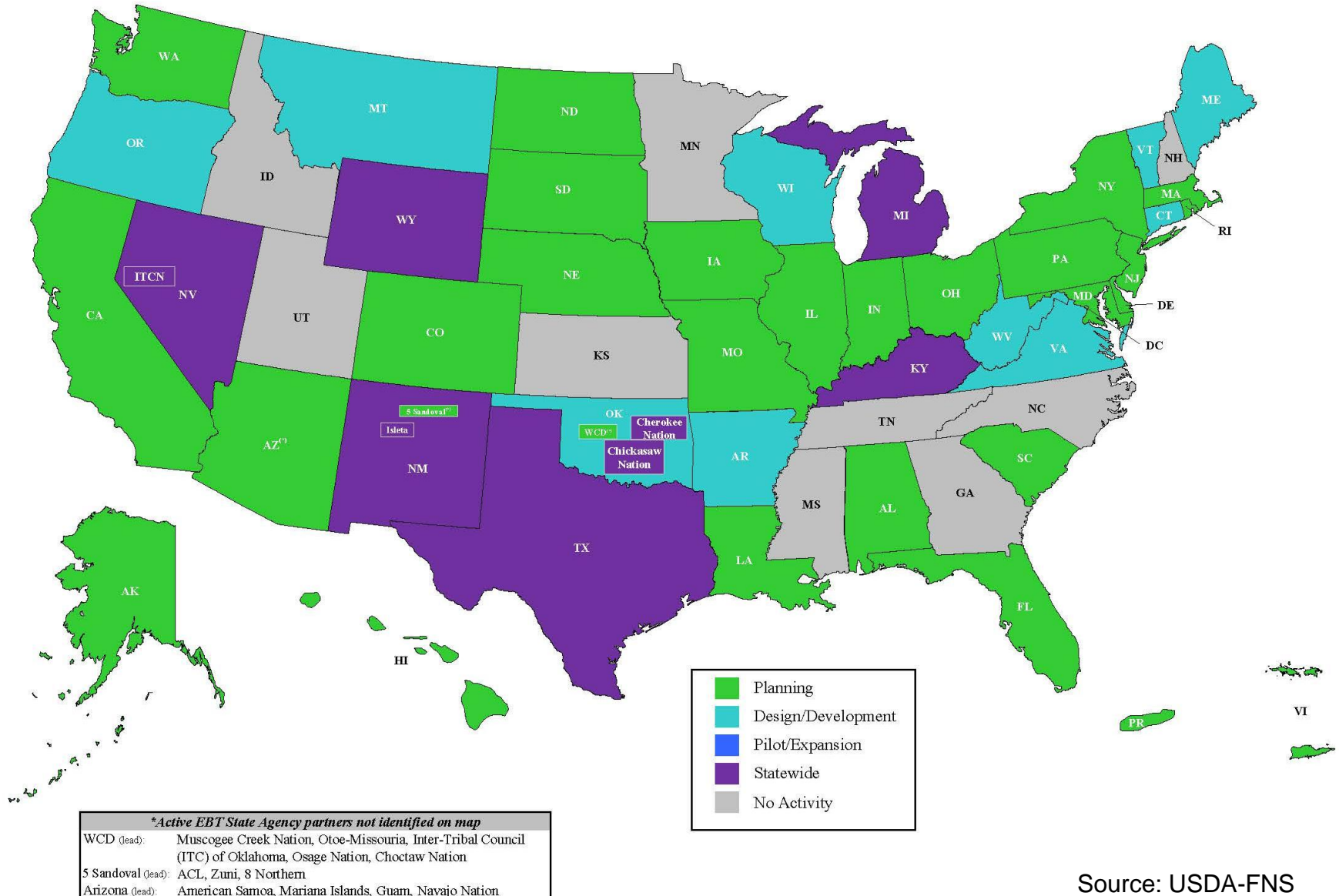
How?

## Implementation RFP

How?

What Cost

## WIC EBT Activity - November 2012



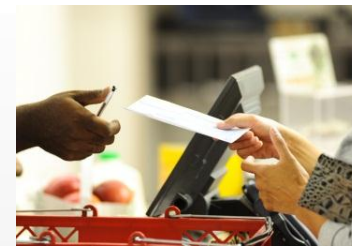


# WHAT ARE THE DIFFERENT WAYS IT CAN WORK?

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Facilitator: Art Burger, EBT Planning Project Manager  
President, Burger, Carroll & Associates, Inc.

# Where We Start

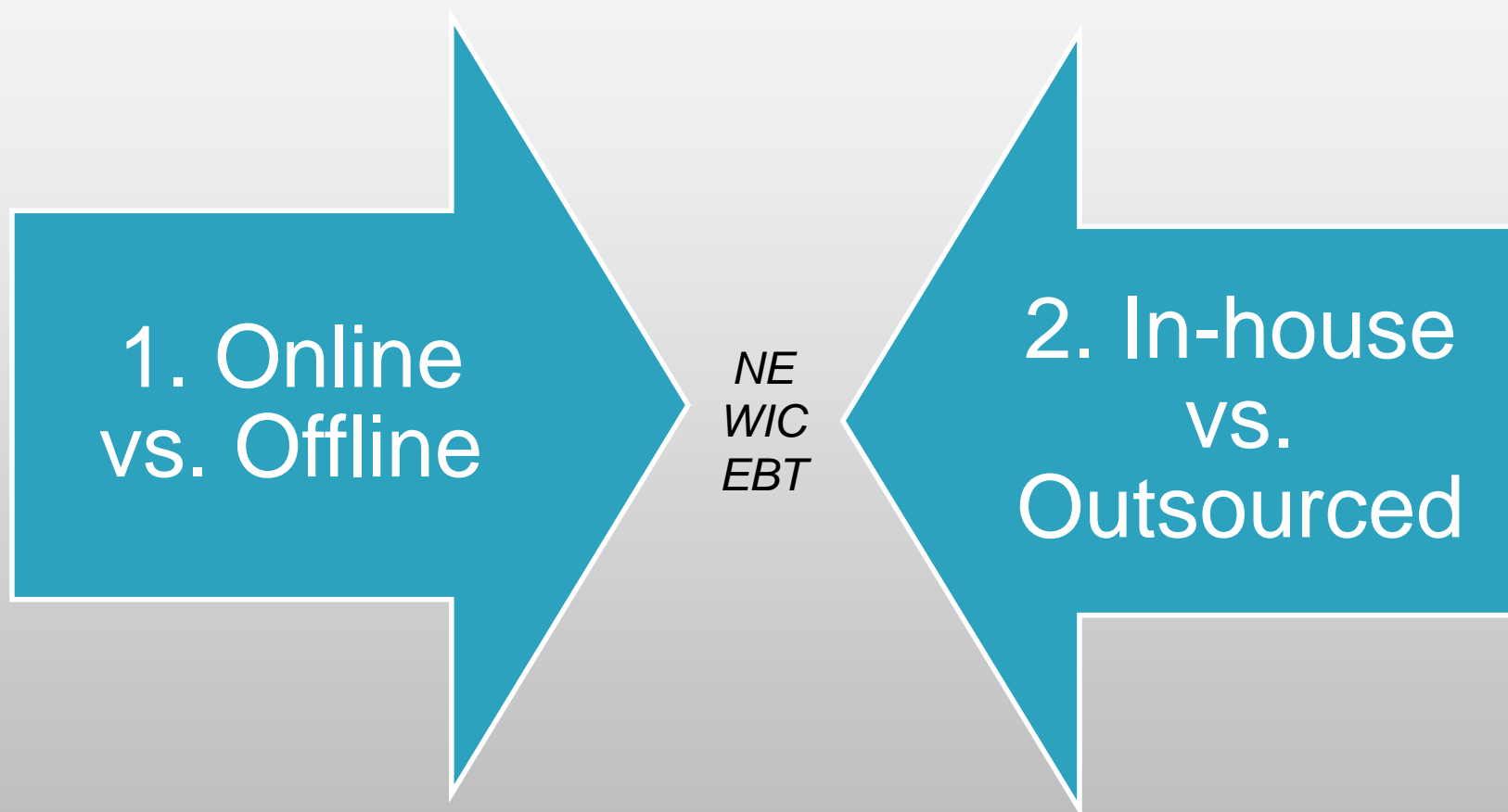


Right now a Nebraska WIC family consisting of a breastfeeding mother, an infant and 3 year old child is provided 11 food prescription checks, plus 2 cash value checks (CVVs) for fruits and vegetables, per month.

This method was designed to provide participant shopping convenience while working within the retail marketplace.

Since benefits are issued 2 months at a time, the family would leave the clinic with 26 paper checks in hand.

# Two KEY EBT Technology Decisions



# Comparing Online & Offline

## Online



Magnetic-striped cards



Real-time authorization



Central EBT host



Fully outsourced

## Offline



Smart cards



Batch processing



Remote/local processing



Insourced or Outsourced

# Which States Are Doing What

<b>Full Service Contractor Online, Magnetic Stripe Card</b>	<b>Chickasaw Nation Inter-Tribal Council of Nevada Michigan Nevada Virginia (in development) West Virginia (in development)</b>
<b><u>Shared</u> State-Contractor Online, Magnetic Stripe Card</b>	<b>Kentucky</b>
<b>State-operated In-House Offline, Smart Card</b>	<b>Cherokee Nation Isleta Pueblo New Mexico Texas Wyoming</b>

# A Possible Lighted Path?

- NE WIC is working with it's partner SNAP to explore the possibility of joining their multi-state Western States EBT Alliance (WSEA) consortium contract.
- While the cards will likely be different, the partnership may provide significant operational savings.



# The Differences between SNAP and WIC



## • **SNAP**

- Income maintenance
- Entitlement
- Few purchase requirements
- Federal/state funds
- Retailers certified at federal level

## • **WIC**

- Public health program
- Discretionary Grant
- Highly prescriptive
- 100% federal funding
- Retailers authorized on state level

# HOW WILL IT AFFECT RETAILERS?

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Facilitator: Art Burger, EBT Planning Project Manager  
President, Burger, Carroll & Associates, Inc.





# 1. Front End System Requirements for WIC EBT

1. Store has to be capable of:
  - Being certified by state
  - Having a depository account to receive reimbursement via ACH
  - Using the APL, UPCs and PLUs
  - Transmitting WIC sales info to EBT host processor
2. System has to:
  - Recognize WIC EBT cards as tender
  - Authenticate the EBT cards
  - Verify cardholder via PIN entry



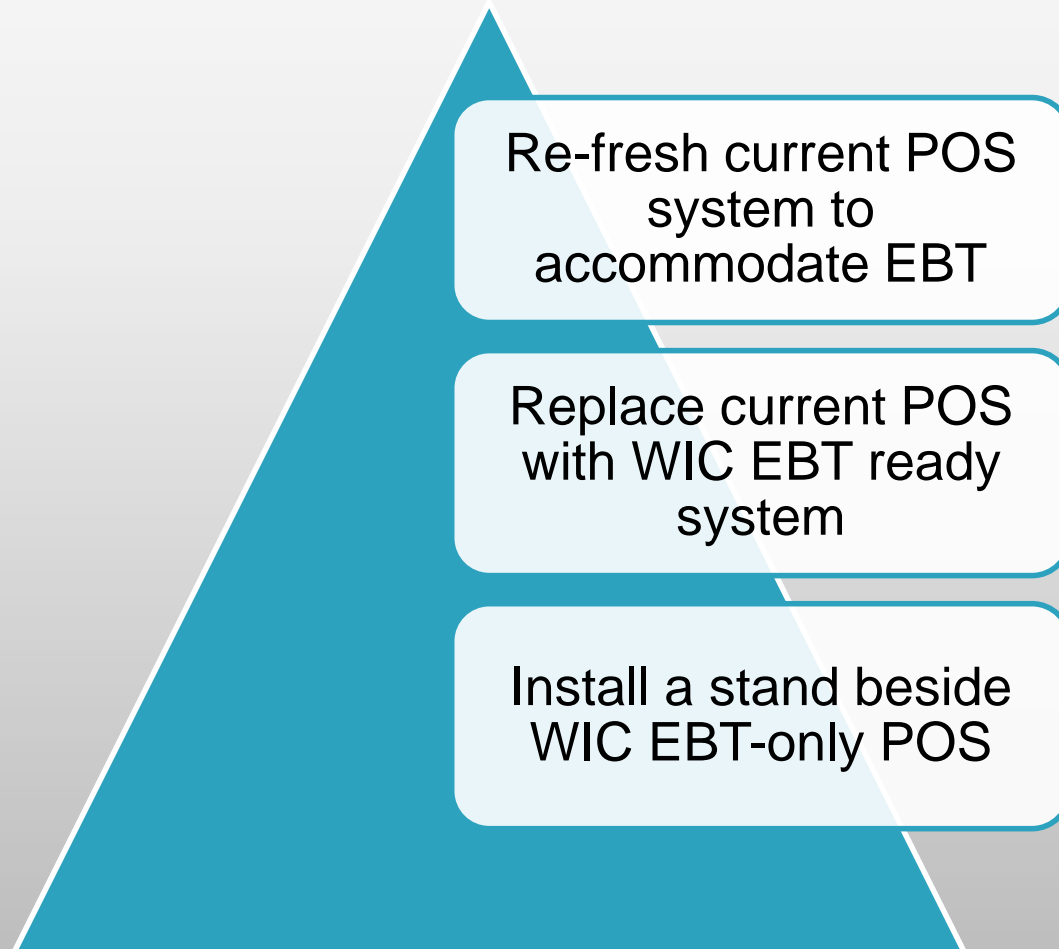
## 2. Retail Business Case for WIC EBT

Retail Cost Item	WIC Paper Checks vs. EBT
Rejected WIC Checks	\$100 million annually (Approximation)
In-lane Transaction Time	274.5 sec. vs. 106.2 seconds for EBT
Time to Train a Checker	345 min. vs. 37.5 min. for EBT
Settlement time	96 hours vs. 36 hours for EBT
Back Office Processing *	\$0.17 vs. \$0.00 for EBT

Source: Burger, Carroll & Associates, Inc. New Mexico study

\*-Food Marketing Institute

### 3. POS Options for WIC EBT



## 4. Five Keys to the Technology Transition for Retailers

<b>Cost</b>	Who pays what?
<b>Technology</b>	Compatibility? Investment?
<b>Timing</b>	When will this happen?
<b>Standards</b>	What am I programming to?
<b>Input</b>	Do I have a seat at the table?

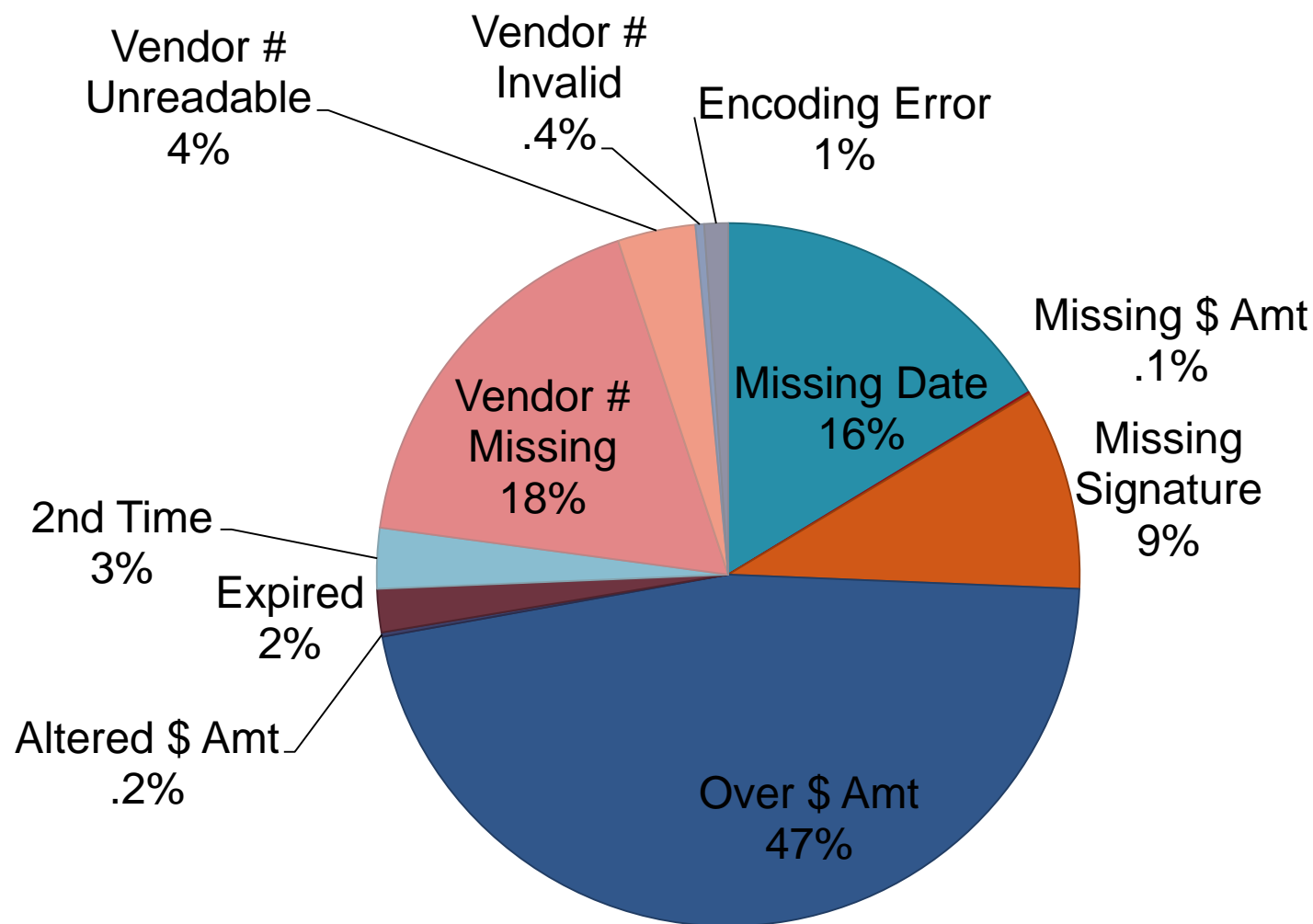


## 5. What Issues Should I Be Concerned with in the Online/Offline WIC EBT Debate?

Operational Issue	Online WIC EBT	Offline WIC EBT
Equipment	More likely to be compatible with existing POS	May require addition of smart card readers
Transaction Fees	May require TPP fees to rout transactions	Direct connect to EBT processors
Card Issues	Key-entered transactions allowed	Abandoned orders may result from card misreads
System Availability	Down is down	Life goes on

# But Remember, Most of this Goes Away

WIC Check Rejections by Type of Rejection FY 2012



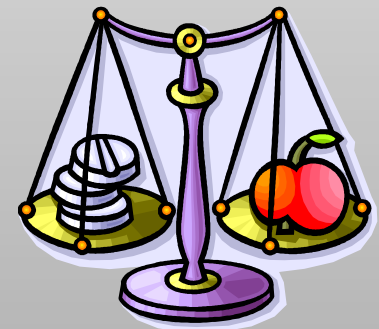
# WHAT'S NEXT?

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Facilitator: Peggy Trouba, NE WIC Program Manager

# Analyzing Technology and Options

- Some Program Impact Factors
  - Retail impact
  - Client Impact
  - Cost Impact
  - Local Agency Impact
  - Resource Impact
  - Risk Impact
- Procurement Strategy
  - WIC Clauses in SNAP contracts
  - Multiple-state contracts to leverage volume
  - Single state procurement





# Working with the Retail Community Throughout the Process

- Feasibility and Cost Studies to USDA – April 2013
- Implementation Advance Plan to USDA – August 2013
- Contract with EBT Services Contractor – December 2013
- Development of EBT System – 2014\*
- Rollout Statewide – 2015\*

\* Dates are tentative



QUESTIONS????????

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